



Agri-News



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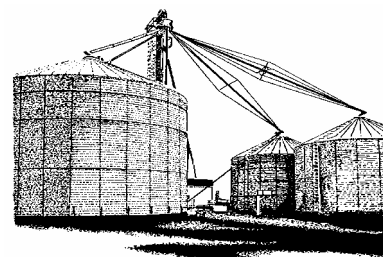
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2004 Annual Crop Summary

IOWA: Corn for grain production during 2004 was estimated 2.24 billion bushels, is down less than one percent from the November 1 forecast, but is 20 percent more than 2003 and is a new state high. Iowa's producers averaged 181 bushels per acre, down 2 bushels from the November 1 forecast, but 15 percent more compared to last year's yield 157 bushels per acre. This yield is the highest on record, ahead of 2002's yield of 165. Acres harvested for grain increased 100,000 acres from the previous forecast to 12.4 million acres, 3 percent over 2003. Corn planted for all purposes in Iowa remains at 12.7 million acres, up 2 percent from 2003.

Corn for silage production was estimated at 4.49 million tons, down 32 percent from 2003. The silage yield estimate of 19.5 per acre compares to 20.0 tons per acre in 2003. Producers harvested 230,000 acres of corn for silage, down 100,000 acres from 2003.

Soybean production was estimated at 497 million bushels in 2004, unchanged from November 1 forecast, but up 45 percent from 2003 and is the 2nd highest production on record. Iowa's producers averaged 49 bushels per acre, unchanged from the November 1 forecast, but 16.5 bushels more than last year's yield of 32.5 bushels per acre. This is the highest yield since the 1994 record yield of 50.5 bushels per acre. The harvested acreage is unchanged from the previous forecast of 10.2 million acres, but is 4 percent less than the 2003 estimate. Planted acreage of soybeans was 10.2 million acres, also down 4 percent from 2003.

All hay production for the state was estimated at 6.24 million tons, down 2 percent from the October 1 forecast, but up 13 percent from the 5.52 million tons produced in 2003. Producers averaged 3.90 tons per acre, setting a new state record all hay yield. The previous record was 3.75 tons per acre set in 1979. Harvested acres for hay was estimated at 1.60 million acres, unchanged from the previous year.

Alfalfa and alfalfa mixtures production was estimated at 5.46 million tons, up nearly 11 percent from 2003. Producers averaged 4.2 tons per acre, setting a new state record alfalfa hay yield, breaking the old record of 4.1 tons per acre set in 1979.

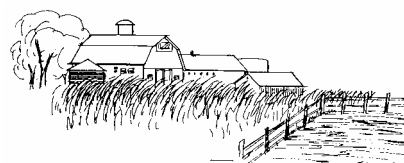
Harvested acres decreased by 2 percent to 1.30 million acres compared to last year. Iowa producers seeded 170,000 acres of alfalfa in 2004, down from 180,000 acres the previous year.

Other hay production was estimated at 780,000 tons, 31 percent above the previous year's production. Producers averaged 2.60 tons per acre, up 18 percent from 2003; while harvesting 300,000 acres of other hay, up 30,000 acres from the previous year.

UNITED STATES: Corn for grain production is estimated at 11.8 billion bushels, up less than 1 percent from the November forecast and up 17 percent from the 10.1 billion bushels produced in 2003. The average U.S. grain yield is estimated at 160.4 bushels per acre, 0.2 bushels above the November forecast and up 18.2 bushels from 2003. Both production and yield estimates are the largest on record. The previous record for both was set last year when production was estimated at 10.1 billion bushels and yield was 142.2 bushels per acre.

Soybean production in 2004 totaled 3.14 billion bushels, the largest U.S. soybean crop in history. This is down slightly from the November forecast but 28 percent above the 2003 level. The average yield per acre is estimated at a record high 42.5 bushels, 0.1 bushel below the November forecast, but 8.6 bushels above the 2003 final yield.

All hay production of dry hay for 2004 is estimated at 158 million tons, down 5 percent from the October 1 forecast but up fractionally from the 2003 total. Area harvested, at 61.9 million acres, is up less than 1 percent from the October forecast but down 2 percent from 2003. The average yield, at 2.55 tons per acre, is down 0.14 ton from October but up 0.06 ton from the previous year.



ECONOMIST CORNER

*Livestock by John Lawrence
and
Grains by Robert Wisner*

Iowa Cooperative Extension Service - Ames

LIVESTOCK

Cattle prices have been strong coming into 2005 at over \$86 the past several weeks. Although winter weather has arrived in most of the Midwest, prices have remained quite stable. Cattle on feed inventories are nearly equal to those a year ago.

Unrest remains over the importation of live Canadian cattle. The announcement of a third case of BSE will likely add steam to the push for postponement of the USDA rule that would otherwise open the border on March 7. Without renewed importation, live cattle prices should remain high. As for recent domestic events, the suspension of operations at several slaughter plants across the nation will not dramatically impact markets because most packers have been running at 75% capacity; other plants should easily absorb any surplus.

Hog prices are recovering after a sharp drop in mid and late December. Prices in early January were steady in the low \$70's. The Dec. '04 Hog & Pig Report suggests that swine numbers are only slightly greater than one year ago. Pork supplies are expected to be up 1.5-2% from the same quarter in 2004. This is due to heavier finishing weights and 1% higher farrowing intentions. If demand remains constant, most hog operations will remain profitable. There is usually a seasonal price increase after the beginning of the year so higher prices are expected in the next several months.

GRAIN

Cash corn prices probably will increase slowly this winter because of large supplies and disappointing export sales. But modest strength is likely in April and May, with a seasonal decline in farmer marketings and opening of the Upper Mississippi for spring navigation. Spring price strength may be tempered some by farmers shifting soybean acreage to corn to reduce exposure to Asian rust. August 31, 2005 U.S. corn carryover stocks appear likely to be about a 10-week supply, up from less than 5 weeks on August 31, 2004. A 2 to 2.5 million acre increase in plantings and a trend yield would produce a crop slightly below likely 2005-06 utilization, setting the stage for a small reduction in 2006 corn carryover stocks.

Sharply increased foreign grain production has reduced U.S. corn export sales this season. Crops were up substantially from the previous year in eastern and western Europe, and former Soviet republics. Argentine corn production is projected to increase sharply this spring. With the increased competition, cumulative U.S. corn export sales from September 1 through December 30 were down 9% from a year earlier.

Soybean prices likely will trade in a considerably wider range than corn over the next 5 or 6 months, due to uncertainty about Asian Soybean Rust in South America and possibly in the U.S. Through mid-January, South American soybeans were in generally good condition, with production projected to be about 25% larger than last fall's record U.S. harvest. Large U.S. supplies and prospects for even larger South American supplies this spring have pressured soybean prices. But as the spring planting season approaches, look for increased volatility in prices.

Average Prices Received by Farmers for Farm Products

Item	Unit	IOWA			U.S.	
		Dec. ¹ 2003	Nov. ¹ 2004	Dec. ² 2004	Nov. ¹ 2004	Dec. ² 2004
----- Dollars -----						
Corn	bu	2.28	2.00	1.90	2.05	1.99
Oats	bu	1.59	1.42	1.55	1.49	1.42
Soybeans	bu	7.35	5.33	5.45	5.36	5.41
Alfalfa, Baled	ton	84.00	84.00	85.00	94.00	92.40
All Hay, Baled	ton	82.00	84.00	82.00	86.20	84.30
All Hogs	cwt	32.50	57.70	56.20	55.70	54.50
Sows	cwt	29.90	51.60	49.60	45.70	46.00
Brws & Gilts	cwt	32.60	57.80	56.30	56.10	54.90
Beef Cattle	cwt	92.20	87.30	88.30	85.10	86.80
Cows	cwt	49.80	48.70	48.10	48.90	48.70
Strs & Hfrs	cwt	93.10	88.10	89.10	90.20	91.90
Calves	cwt	99.50	117.00	112.00	124.00	121.00
Milk Cows 3/	hd	--	--	--	--	--
Milk (whls)	cwt	14.10	16.60	17.00	16.10	16.50
Sheep	cwt	42.30	44.30	--	41.50	--
Lambs	cwt	89.20	90.10	--	101.00	--
Eggs (mkt)	doz	0.659	0.40	0.40	0.436	0.488

¹Corn, oats, soybeans, all hogs, all cattle, all sheep, and milk are whole-month prices. All hay and eggs are mid-month prices. ²All prices are mid-month. ³Prices published January, April, July, and October.

Price Index Summary Table

Prices Received	IOWA			UNITED STATES		
	Dec. 2003	Nov. 2004	Dec. ¹ 2004	Dec. 2003	Nov. 2004	Dec. ¹ 2004
1990-92=100 ²						
Prices rec'd.	98	106	106	114	115	112
Crops	115	92	91	115	112	104
Lvstk Prods.	94	121	121	112	119	120
1910-14=100 ³						
Prices rec'd.	--	--	--	723	732	711
Crops	--	--	--	569	550	514
Lvstk Prods.	--	--	--	859	915	924

¹Preliminary. ²1990-92=100 reference replaced 1977=100 in January 1995. ³Iowa figures for 1910-14=100 base not available.

U.S. Prices Paid Index Summary

Prices Paid	Dec. 2003	Nov. 2004	Dec. 2004	Dec. 2003	Nov. 2004	Dec. 2004
	1990-92=100			1910-14=100		
Prices paid ¹	129	134	134	1719	1785	1778
Feed	117	102	101	574	499	493
Ratio ²	88	86	84	42	41	40

¹Prices paid by farmers for commodities and services, interest, taxes, and farm wage rates. ²Ratio of index of prices received to index of prices paid for commodities and services, interest, taxes, and farm wage rates.



Stocks of Grain, December 1, 2004

IOWA: Corn stocks in all positions on December 1 totaled 2.05 billion bushels, up 24 percent from December 1, 2003. Of the total stocks, 64 percent were stored on farms. The September-November 2004 indicated disappearance was 420 million bushels, down 18 percent from the previous year's 509 million bushels during the same period.

Soybeans stored in all positions on December 1 totaled 427 million bushels, up 40 percent from December 1, 2003. Of the total stocks, 53 percent were stored on farms. The September-November 2004 indicated disappearance totaled 101 million bushels, up 11 percent from the previous year's 90 million bushels during the same quarter.

Oat stocks in all positions on December 1 totaled 9.58 million bushels. Of the total stocks, only 26 percent were stored on farms.

UNITED STATES: Corn stocks in all positions on December 1, 2004 totaled 9.45 billion bushels, up 19 percent from December 1, 2003. This is the highest December 1 stocks level since 1987. Of the total stocks, 6.14 billion bushels are stored on farms, up 16 percent from a year earlier. Off-farm stocks, at 3.30 billion bushels, are up 24 percent from a year ago. The September - November 2004 indicated

disappearance is 3.32 billion bushels, compared with 3.22 billion bushels during the same period last year.

Soybeans stored in all positions on December 1, 2004 totaled 2.30 billion bushels, up 36 percent from December 1, 2003. This is the largest December 1 stocks level on record, exceeding the previous record set in 2001 by 1 percent. Soybean stocks stored on farms totaled 1.30 billion bushels, up 59 percent from a year ago and set a new record high by 5 percent. Off-farm stocks, at 1.00 billion bushels, are up 16 percent from last December. Indicated disappearance for September - November 2004 totaled 949 million bushels, up 1 percent from the same period a year earlier.

Oats stored in all positions on December 1, 2004 totaled 105 million bushels, 12 percent below the stocks on December 1, 2003. Of the total stocks on hand, 60.4 million bushels are stored on farms, down 6 percent from a year ago. Off-farm stocks totaled 44.6 million bushels, down 19 percent from a year earlier. Indicated disappearance during September - November 2004 totaled 10.8 million bushels, down 13 percent from the same period a year ago.

Stocks of Grain and Storage Capacity, December 1, Iowa and U.S.

Position and grain	----- Iowa -----			----- United States -----		
	Dec. 1 2003	Dec. 1 2004	Percent of previous year	Dec. 1 2003	Dec. 1 2004	Percent of previous year
	Thousand bushels			Thousand bushels		
On-Farm Stocks & Capacity						
Corn	1,100,000	1,300,000	118	5,286,000	6,144,000	116
Soybeans	155,000	227,000	146	820,000	1,300,000	159
Oats	3,300	2,500	76	64,400	60,400	94
Wheat, all	*	*	*	491,925	531,020	108
Storage Capacity	1,670,000	1,700,000	102	11,025,000	11,190,000	101
Off-Farm Stocks and Capacity¹						
Corn	547,509	747,022	136	2,667,775	3,304,798	124
Soybeans	150,544	200,347	133	868,653	1,004,880	116
Oats	9,431	7,079	75	54,900	44,563	81
Wheat, all	*	*	*	1,028,359	899,718	87
Storage Capacity	1,055,000	1,055,000	100	8,504,123	8,503,901	100
Total Stocks and Capacity						
Corn	1,647,509	2,047,022	124	7,953,775	9,448,798	119
Soybeans	305,544	427,347	140	1,688,653	2,304,880	136
Oats	12,731	9,579	75	119,300	104,963	88
Wheat, all	*	*	*	1,520,284	1,430,738	94
Storage Capacity	2,725,000	2,755,000	101	19,529,123	19,693,901	101

¹ Includes stocks at interior mills, elevators, terminals, warehouses, and processors. * Data not published to avoid disclosure of individual operations.

U.S. Corn and Soybean Supply and Demand

CORN				SOYBEANS			
	2002/ 2003	2003/ 2004 (Est.)	2004/05 ¹ Projections Jan.		2002/ 2003	2003/ 2004 (Est.)	2004/05 ¹ Projections Jan.
	Million bushels				Million bushels		
Beginning stocks	1,596	1,087	958	Beginning stocks	208	178	112
Production	8,967	10,089	11,807	Production	2,756	2,454	3,141
Imports	14	14	15	Imports	5	6	5
Supply, total	10,578	11,190	12,780	Supply, total	2,969	2,638	3,258
Feed and residual	5,563	5,798	6,075	Crushings	1,615	1,530	1,660
Food, seed, & industrial	2,340	2,537	2,795	Exports	1,044	885	1,010
Domestic, total	7,903	8,335	8,870	Seed	89	92	89
Exports	1,588	1,897	1,950	Residual	42	18	64
Use, total	9,491	10,232	10,820	Use, total	2,791	2,525	2,823
Ending stocks, total	1,087	958	1,960	Ending stocks, total	178	112	435
Avg market price (\$/bu.)	2.32	2.42	1.80-2.10	Avg market price (\$/bu.)	5.53	7.34	4.75-5.45

¹Preliminary.

Iowa - Acreage, Yield and Production, 2003-04

Crop	Acres harvested		Yield per acre		Production	
	2003	2004	2003	2004	2003	2004
	Thousand acres		Bushels		Thousand bushels	
Corn, grain	11,900	12,400	157.0	181.0	1,868,300	2,244,400
Corn, silage ¹	330	230	20.0	19.5	6,600	4,485
Soybeans	10,550	10,150	32.5	49.0	342,875	497,350
Oats for grain	130	140	83.0	72.0	10,790	10,080
Hay, all ¹	1,600	1,600	3.45	3.90	5,515	6,240
Alfalfa hay ¹	1,330	1,300	3.70	4.20	4,921	5,460
Other hay ¹	270	300	2.20	2.60	594	780
Wheat, all	21	24	61.0	55.0	1,281	1,320

¹ Yield in tons and production in thousand tons.

U.S. - Acreage, Yield and Production, 2003-04

Crop	Acres harvested		Yield per acre		Production	
	2003	2004	2003	2004	2003	2004
	Thousand acres		Bushels		Thousand bushels	
Corn, grain	70,944	73,632	142.2	160.4	10,089,222	11,807,217
Corn, silage ¹	6,583	6,103	16.3	17.6	107,378	107,336
Soybeans	72,476	73,958	33.9	42.5	2,453,665	3,140,996
Oats for grain	2,220	1,792	65.0	64.7	144,383	115,935
Hay, all ¹	63,383	61,916	2.49	2.55	157,585	157,774
Alfalfa hay ¹	23,529	21,707	3.24	3.47	76,273	75,383
Other hay ¹	39,854	40,209	2.04	2.05	81,312	82,391
Wheat, all	53,063	49,999	44.2	43.2	2,344,760	2,158,245
Winter Wheat	36,753	34,462	46.7	43.5	1,716,721	1,499,434

¹ Yield in tons and production in thousand tons.

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